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E.O. 12958: DECL: 04/24/2018

TAGS: PGOV PREL PA

SUBJECT: ARCHBISHOP CUQUEJO ON LUGO AND THE ELECTION

Classified By: DCM Michael J. Fitzpatrick for reasons 1.4 (b) and (d).

- (C) SUMMARY: Asuncion's Archbishop Cuquejo told Pol/Econ Chief April 23 he believes the Catholic Church will neither ex-communicate president-elect Fernando Lugo nor accept his resignation from the clergy, but would deal with Lugo as Paraguay's president. He said the Colorado Party's April 20 defeat was "inevitable" and that former vice president Luis Castiglioni would be the key to Colorado renewal. Cuquejo said the political transition period would be difficult for Lugo, and urged the USG to "keep him close." One of the country's best political analysts, the Archbishop will likely serve as a positive influence on major political leaders such as Lugo and former vice president Luis Castiglioni (also a devout Catholic) in coming months. END SUMMARY.
- (C) Archbishop Pastor Cuquejo told Poloffs April 23 he believes the Church will neither ex-communicate president-elect Fernando Lugo nor accept his resignation from the clergy, but would deal with Lugo as Paraguay's president. He stated that the Church still considers Lugo -- who is currently designated by the Church as bishop emeritus of San Pedro -- a "brother." The Archbishop said the Church's position would support separation of the church from politics. He hoped Lugo would never again "act" as a Catholic bishop.
- $\underline{\ }$ 13. (C) Cuquejo stated that the Colorado Party's April 20 defeat was "inevitable." He said that he predicted to the Ambassador two years ago that the Colorados would fall in this election, not due to ideological motives but because of an overwhelming desire for change. Cuquejo said the rupture in the Colorado Party was necessary to "cleanse" it, and he believes that President Duarte had lost popular support, calling him "isolated." (NOTE: Duarte will enter the next Congress as a senator. END NOTE.) The Archbishop termed two factors key to the election: The efforts of the OAS and IFES election observers; and Colorado presidential candidate Blanca Ovelar's concession speech affirming her commitment to the democratic process. He thanked the USG for supporting the election observers' mission, and said he was pleased with their performance. He also said that he was proud of Ovelar for overcoming strenuous pressures from President Duarte, Senator Juan Carlos Galaverna, and other Colorado leaders to contest the election results.
- (C) The Archbishop told Pol/Econ Chief that he holds Castiglioni in high regard and that Castiglioni would be the key to any renewal of the Colorado Party. Cuquejo said Castiglioni is an "intelligent and honest" man who could reform the Colorados (NOTE: Castiglioni is an active member

- of Opus Dei. END NOTE). He prognosticated that Castiglioni's faction would play a central role in shaping the Colorados as they emerge from this defeat, although he advised Castiglioni to put national interests ahead of the party's. Convinced that Castiglioni will remain a key Colorado leader, the Archbishop stated he was trying to arrange a one-on-one meeting between Castiglioni and Lugo --minus their handlers -- to help them start a dialogue.
- 15. (C) Cuquejo said that the political transition period would be difficult for Lugo, and urged the USG to "keep him close." He contended that the campesino groups would return to protesting as usual after the August 15 inauguration but said Lugo was "too smart" to deal with them by doling out cash. The Archbishop, who worked with Lugo for many years, believes that Lugo is an intelligent man who will be kept on track by the Liberal Party. He also said Lugo's vice president-elect, Federico Franco, would likely "call all of the shots."
- 16. (C) COMMENT: One of the country's best political analysts, the Archbishop will likely serve as a positive influence on major political leaders such as Lugo and Castiglioni during Paraguay's political transition. If Cuquejo can draw on his spiritual authority as head of Paraguay's Catholic Church to bring Lugo and Castiglioni together, he may be the catalyst behind the first political alliance of Lugo's government. END COMMENT.

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